

On the Eve of Tax Day, Congresswoman Matsui Highlights Recent Tax Cuts for Sacramento's Families and Small Businesses

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FOR IMMEDIATE RELEASE

Wednesday, April 14, 2010

CONTACT: MARA LEE

(202) 225-7163

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WASHINGTON, DC — Today, Congresswoman Doris O. Matsui (CA-05) urged Sacramento families and small businesses to take advantage of the 25 different tax cuts in the Recovery Act — part of the more than \$800 billion in broad-based tax cuts for working families and small businesses that this Congress passed since last year. These include benefits in the Recovery Act, the largest health care tax cut in history, job-creating tax incentives to spur hiring of out-of-work Americans, and tax credits and accelerated write offs for small businesses.

“Most people don’t realize that tax cuts are the biggest individual piece of the Recovery Act,” said Rep. Matsui. “President Obama and this Congress gave 95% of working Americans one of the largest tax cuts in history through the Recovery Act. And as you file your 2009 income taxes, you may qualify for a series of other generous tax cuts — for example, you could save money for attending college, making energy-saving home improvements, purchasing a home for the first time, or buying a new car.”

In fact, Bruce Bartlett, President Reagan’s Domestic Policy Advisor, recently noted that “Federal taxes are very considerably lower by every measure since Obama became president.”

“I encourage all Sacramentans to take advantage of these and other tax cuts as they are filing their 2009 taxes,” added Rep. Matsui. “And if you have filed early, there is still time to amend your 2009 return to get the full benefits of the Recovery Act.”

Taxpayers in Sacramento and across the country can claim a variety of benefits on their 2009 tax returns, including:

- The Making Work Pay tax credit — Ninety-five percent of working families are already receiving the

Recovery Act's Making Work Pay tax credit of \$400 for an individual or \$800 for married couples filing jointly in their 2009 paychecks – and will continue to see these benefits in 2010. In Sacramento, 253,000 families are benefiting from the Making Work Pay tax credit.

• Tax credits for college expenses – Families and students are eligible for up to \$2,500 in tax savings under the American Opportunity Credit as well as enhanced benefits under 529 college savings plans, which helps families and students pay for college expenses. More than four million additional students will be able to attend college thanks to this tax credit.

• The First Time Homebuyers tax credit – First time homebuyers can get a credit of up to \$8,000 for homes purchased by April 30, 2010 under the First Time Homebuyer tax credit. In California, nearly 200,000 households have already taken advantage of the First Time Homebuyers tax credit.

• Tax credits for energy efficient renovations – Taxpayers are eligible for up to \$1,500 in tax credits for making energy-efficient improvements to their homes, such as adding insulation and installing energy efficient windows.

• The vehicle sales tax deduction – Taxpayers can deduct the state and local sales taxes they paid for new vehicles purchased from Feb. 17, 2009 through Dec. 31, 2009 under the vehicle sales tax deduction.

• Expanded family tax credits – Moderate income families with children may be eligible for an increase in the Earned Income Tax Credit and the additional Child Tax Credit.

• Tax-free unemployment benefits – Individuals who received unemployment insurance in 2009 do not have to pay taxes on the first \$2,400 of such earnings.

To find out what tax cuts you may qualify for, you can use the online tax calculator prepared by the White House by clicking [here](#).

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